GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:258
ANSWERED ON:30.08.2007
IRAN-PAKISTAN-INDIA GAS PIPELINE PROJECT
Owaisi Shri Asaduddin;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India, Pakistan and Iran have agreed over the price formula for the gas pipeline known as Peace Pipeline;

(b) if so, the details thereof;

(c) the present status of Indo-Iran Gas Pipeline Project;

(d) whether India and Pakistan have reached an in-principle agreement on transportation charges that India would pay to Pakistan for Iran-Pakistan-India Gas Pipeline; and

(e) if so, the facts in this regard and the details of the hurdles faced by India in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (e): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 258 ASKED BY SHRI ASADUDDIN OWAISI AND SHRI JYOTIRADITYA M. SCINDIA, MPs TO BE ANSWERED ON 30th AUGUST 2007 REGARDING IRAN-PAKISTAN-INDIA GAS PIPELINE PROJECT

(a) to (c): India has been pursuing the import of natural gas from Iran through the Iran- Pakistan-India transnational gas pipeline. For this purpose, two sets of separate Secretary- level bilateral Joint Working Groups (JWGs) have been set up with Pakistan and Iran. Three meetings of India-Iran Special JWG (SJWG) have been held, the last meeting being on December 28 & 29, 2005. Five meetings of India-Pakistan JWG have been held; the last meeting was held on June 27 & 28, 2007 in New Delhi.

A tripartite Joint Working Group (JWG) of Iran, Pakistan and India has been formed. Six meetings of the trilateral JWG have been held so far, the last meeting being held in New Delhi on June 28&29, 2007.

At the 4th tripartite meeting held in Tehran on January 24 & 25, 2007, a gas pricing formula regarding pricing of gas at Iran-Pakistan border was agreed between Iran and Pakistan sides, subject to approval from the respective Governments. The Indian side agreed to respond to the pricing formula. India conveyed to the Iranian side, vide letter dated 28.2.2007, that the total price payable for the gas at India-Pakistan border would also depend on transportation cost and transit fees payable by India to Pakistan for passage of gas through Pakistan; as there was no clarity on these, it was not possible for India to decide regarding the final price. Subsequently, Iran demanded introduction of provision for a price revision, in the 5th Tripartite JWG meeting held at Tehran during May 27-30, 2007, which both India and Pakistan disagreed with. The Sixth Tripartite meting was held in New Delhi on June 28 & 29, 2007. The issue of gas price review clause was interalia discussed amongst the participating countries. It was decided to carry forward the discussions to the next round of meetings for resolution of this and other important issues.

(d) & (e): During the 5th India-Pakistan JWG meeting held in New Delhi on June 27 & 28, 2007, the issue of transportation tariff for passage of gas through Pakistan was discussed. It was agreed that it should be based on cost of service to be achieved through International Competitive Bidding (ICB). However, there is no agreement yet on the transit fees to be payable by India to Pakistan for the passage of natural gas through Pakistan.